# Message Text

## CONFIDENTIAL

PAGE 01 BONN 03006 01 OF 02 161813Z ACTION EB-08

INFO OCT-01 EUR-12 EA-10 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15 STR-07 ITC-01 TRSE-00 USIA-06 SP-02 SOE-02 OMB-01 DOE-11 AF-10 ARA-10 NEA-10 /157 W

R 161758Z FEB 78 FM AMEMBASSY BONN TO SECSTATE WASHDC 5930 INFO AMEMBASSY BRUSSELS AMEMBASSY TOKYO AMEMBASSY LONDON AMEMBASSY PARIS AMEMBASSY ROME AMEMBASSY LUXEMBOURG AMEMBASSY DUBLIN AMEMBASSY THE HAGUE AMEMBASSY COPENHAGEN USMISSION GENEVA

C O N F I D E N T I A L SECTION 01 OF 02 BONN 03006

BRUSSELS FOR FAA

USEEC, USMTN

E.O. 11652: GDS TAGS: EAIR, ETRD, GW, FR, UK SUBJECT: EC-JAPAN RELATIONS AND AIRCRAFT SALES

REF: (A) STATE 30692, (B) BONN 2593, (C) BONN 1876

SUMMARY: FRG ECONOMICS MINISTRY OFFICIAL SCHOMERUS FEBRUARY 15 CATEGORICALLY DENIED THAT FRG HAD APPLIED POLITICAL PRESSURE ON JAPANESE GOVERNMENT TO BUY CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BONN 03006 01 OF 02 161813Z

AIRBUS A-300 WHILE IMPLYING THAT USG HAD TAKEN SIMILAR ACTION IN PAST. HE ALSO DENIED THAT GOJ HAD TRIED TO INFLUENCE TOA DOMESTIC AIRLINES TO BUY AIRBUS. SCHOMERUS AGREED THAT IT WOULD BE BAD FOR U.S. AND WESTERN EUROPE TO TRY TO UNDERCUT EACH OTHER IN EFFORTS TO HANDLE PROBLEM OF JAPANESE TRADE SURPLUS. EMBASSY GUESS IS THAT FRG WILL REFRAIN FROM SUCH TACTICS IN THE FUTURE. END SUMMARY.

1. EMBOFF FEBRUARY 15 DISCUSSED MATTER OF EC AND ITS MEMBER GOVERNMENTS PRESSURING JAPANESE TO BUY AIRBUS AND MADE POINTS PARA 2, REF A WITH DEPUTY ASSISTANT SECRETARY SCHOMERUS IN FEDERAL MINISTRY OF ECONOMIC AFFAIRS. SCHOMERUS, WHO DEALS WITH FRG PROGRAMS IN AEROSPACE FIELD, CATEGORICALLY DENIED THAT FRG HAD APPLIED POLITICAL PRESSURE ON JAPANESE TO PURCHASE AIRBUS OR HAD KNOWLEDGE OF ANYONE ELSE DOING SO. HE SAID HE HAD CHECKED WITH FRENCH AMBASSADOR THE PREVIOUS DAY AND HAD BEEN ASSURED THAT THE FRENCH HAD TAKEN NO SUCH ACTION AND HAD NO INTENTION OF DOING SO IN THE FUTURE. SCHOMERUS MAINTAINED THAT IT WOULD BE IMPOSSIBLE FOR THE FRG TO PUT POLITICAL PRESSURE ON THE JAPANESE BECAUSE OF THE INTERNAL POLITICAL SITUATION IN GERMANY. TO ASK THE JAPANESE TO BUY THE AIRBUS, HE SAID, WOULD NECESSARILY IMPLY A QUID PRO QUO SUCH AS ENTRY OF JAPANESE AUTOS OR STEEL INTO THE FRG ON FAVORABLE TERMS AND THIS WOULD CREATE INTERNAL PRO-BLEMS FOR THE FEDERAL GOVERNMENT BECAUSE DOMESTIC MANUFACTURERS OF WHATEVER PRODUCTS SUFFERED FROM CON-CESSIONS TO THE JAPANESE WOULD PROTEST AND WOULD FIND STRONG SUPPORT IN THE BUNDESTAG.

2. IN REGARD TO A STORY IN THE INTERAVIA DAILY TO CONFIDENTIAL

#### CONFIDENTIAL

PAGE 03 BONN 03006 01 OF 02 161813Z

THE EFFECT THAT THE JAPANESE GOVERNMENT HAD URGED TOA DOMESTIC AIRLINES TO BUY THE AIRBUS, SCHOMERUS SAID THE FRG HAD ASKED THE JAPANESE ABOUT THE REPORT AND BEEN TOLD THAT THE JAPANESE GOVERNMENT HAD MERELY APPROVED AN APPLICATION FROM TOA FOR PERMISSION TO IMPORT AIRCRAFT AND HAD NOT SPECIFIED ANY PARTICULAR TYPE OF AIRCRAFT OR COUNTRY OF ORIGIN. SCHOMERUS SAID THAT, SO SOON AFTER THE LOCKHEED SCANDALS, IT WAS UN-

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PAGE 01 BONN 03006 02 OF 02 161821Z

#### ACTION EB-08

INFO OCT-01 EUR-12 EA-10 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15 STR-07 ITC-01 TRSE-00 USIA-06 SP-02 SOE-02 OMB-01 DOE-11 AF-10 ARA-10 NEA-10 /157 W -------047878 161944Z /70 R 161808Z FEB 78

FM AMEMBASSY BONN TO SECSTATE WASHDC 5931 INFO AMEMBASSY BRUSSELS AMEMBASSY TOKYO AMEMBASSY LONDON AMEMBASSY PARIS AMEMBASSY ROME AMEMBASSY LUXEMBOURG AMEMBASSY DUBLIN AMEMBASSY THE HAGUE AMEMBASSY COPENHAGEN USMISSION GENEVA

C O N F I D E N T I A L SECTION 02 OF 02 BONN 03006

### BRUSSELS FOR FAA

THINKABLE THAT ANY OFFICIAL IN JAPAN WOULD TRY TO INFLUENCE AIRLINE PURCHASES.

3. SCHOMERUS CONCEDED THAT THE FRG WOULD BE VERY HAPPY IF JAPANESE CARRIERS BOUGHT THE AIRBUS BUT WAS SURE THAT IF THEY DID SO IT WOULD BE ON TECHNICAL AND ECONOMIC GROUNDS EXCLUSIVELY. HE SAID THE U.S. SHOULD ALSO BE HAPPY AT SUCH SALES BECAUSE, ON A LIFE CYCLE BASIS, THE AIRBUS WITH SPARES HAS FIFTY PERCENT U.S. CONTENT; BECAUSE IT WOULD HELP TO REDUCE JAPAN'S TRADE SURPLUS AND BECAUSE IT WOULD BE "CONVINCING EVIDENCE" CONFIDENTIAL

#### CONFIDENTIAL

PAGE 02 BONN 03006 02 OF 02 161821Z

AGAINST A RUMOR THAT A FORMER PRESIDENT OF THE U.S. HAD MADE AN INFORMAL AGREEMENT WITH A FORMER JAPANESE PRIME MINISTER THAT THE JAPANESE WOULD MAKE CIVIL AIRCRAFT AND ESPECIALLY WIDE BODY PURCHASES FROM AMERICAN MANUFACTURERS. HAVING GOTTEN HIS LICKS IN, SCHOMERUS AGREED THAT THE IMPORTANT ISSUE WAS THE BEST TACTICS TO USE IN THE FUTURE VIS-A-VIS THE JAPANESE TRADE IMBALANCE. HE AGREED THAT IT WOULD BE HARMFUL FOR WESTERN COUNTRIES TO TRY TO UNDERCUT EACH OTHER. HE WAS WELL AWARE OF THE REPERCUSSIONS IN THE U.S. OF SUCH TACTICS ON THE PART OF THE EC. HE TOOK THE OPPORTUNITY, NEVERTHELESS, TO REITERATE THE FRG DOCTRINE THAT THE REAL SOLUTION TO THE PROBLEMS OF INTERNATIONAL TRADE IS THE PASSAGE BY THE U.S. CONGRESS OF THE PRESIDENT'S ENERGY PROGRAM.

4. COMMENT: WE KNOW FROM THE JAPANESE THAT AIRBUS SALES WERE DISCUSSED DURING FOREIGN TRADE MINISTER USHIBA'S RECENT VISIT (REF C) AND ASSUME THAT SCHOMERUS'S REMARKS ABOUT A FORMER PRESIDENT DOING THE SAME SORT OF THING WERE TO MAKE THE POINT THAT WE ARE NOT IN A GOOD POSITION TO TAKE A MORAL STAND. WE WOULD GUESS, HOWEVER, THAT HAVING BEEN CAUGHT OUT, THE FRG WILL NOT CONTINUE TO PRESSURE THE JAPANESE TO BUY THE AIRBUS, MAINLY BECAUSE OF THE ACUTE AWARENESS HERE OF PROTECTIONIST PRESSURE IN THE U.S. MEEHAN

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# Message Attributes

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